

## Ballot Measure #1

**Should the registration fee that every car or truck owner is required to pay each year be based, in part, on the amount of pollution the vehicle emits?**

### **Background**

In an effort to curb greenhouse gas emissions produced by vehicles, some states and countries have considered implementing economic incentives to encourage people to make more environmentally sound choices when they buy a vehicle. These proposals include providing rebates to people who buy fuel-efficient vehicles, as well as raising taxes and fees on vehicles that use more fuel and, therefore, emit higher levels of greenhouse gas. Versions of the higher fee or tax approach differ, but their purpose is the same. They seek to hold buyers of cars, pick-up trucks, mini-vans and sport utility vehicles (SUVs) responsible for the impact of their decisions on our environment.

Applying increased fees or taxes as a means of providing an incentive for more environmentally sound choices is not a new idea. Consider the following examples:

- **Higher tax on vehicle manufacturers**
- **Surcharges and rebates for buyers of new vehicles**
- **Higher tax and registration fees for some vehicle owners**

**Tax paid by manufacturers of new vehicles:** The United State already imposes a “Gas Guzzler Tax” on vehicle manufacturers that sell cars that fail to meet certain fuel economy levels. However, the tax applies only to cars, and not to mini-vans, pick-up trucks or SUVs. When the United States Congress enacted the Energy Tax Act of 1978, it imposed a gas guzzler tax only on cars because, at the time the law was enacted, mini-vans, pick-up trucks and SUVs represented a relatively small fraction of the overall number of passenger vehicles and were used more for business purposes than personal transportation. Auto manufacturers have the option of passing the cost of the gas guzzler tax they pay down to buyers by raising the price of the cars they sell.

**Resource:** Gas Guzzler Tax, Environmental Protection Agency

<http://www.epa.gov/fueleconomy/guzzler/index.htm>

Description: EPA’s overview of the Federal Gas Guzzler Tax

**Surcharges paid by consumers on new vehicles:** The California State Legislature considered Assembly Bill 493 in 2007, which would have required people buying vehicles that didn’t meet certain fuel efficiency standards to pay a surcharge of up to \$2,500. The money would have been used to reward buyers of more fuel-efficient models with rebates of up to \$2,500. The bill failed in the Assembly.

**Resource:** Vote due on gas-guzzler fees, Sacramento Bee, June 7, 2007

<http://www.sacbee.com/111/story/209135.html>

**Description:** Article outlining AB 493, including opinions of supporters and opponents.

**Higher taxes and vehicle registration fees for some luxury car owners:** In 2004, the District of Columbia Council, having concluded that large, luxury-model SUVs contribute disproportionately to air pollution and street damage, approved legislation that requires owners of these vehicles to pay a higher excise tax and registration fee.

**Resource:** D.C. Council Raises Taxes, Fees on Luxury SUVs  
Washington Post, December 8, 2004

<http://www.washingtonpost.com/wp-dyn/articles/A45272-2004Dec7.html?referrer=emailarticle>

**Description:** Article on Washington D.C.'s legislation to raise taxes and fees on some vehicle owners.

### **Key Terms**

**Global Warming:** An increase in the near surface temperature of the Earth. Global warming has occurred in the distant past as the result of natural influences, but the term is most often used to refer to the warming predicted to occur as a result of increased emissions of greenhouse gases. Scientists generally agree that the Earth's surface has warmed by about 1 degree Fahrenheit in the past 140 years. The Intergovernmental Panel on Climate Change (IPCC) recently concluded that increased concentrations of greenhouse gases are causing an increase in the Earth's surface temperature, and that increased concentrations of sulfate aerosols have led to relative cooling in some regions, generally over and downwind of heavily industrialized areas.

**Climate Change:** The term "climate change" is sometimes used to refer to all forms of climatic inconsistency, but because the Earth's climate is never static, the term is more properly used to imply a significant change from one climatic condition to another. While it is sometimes used synonymously with the term "global warming," scientists tend to use the term in the wider sense to include natural changes in climate.

**Greenhouse Gas:** A gas, such as carbon dioxide or methane, which contributes to potential climate change. It is a product of burning fossil fuels, such as gasoline and natural gas, typically used to heat buildings.

**Vehicle License Fee (VLF):** Also known as the "vehicle registration fee," the VLF, which is collected by the state Department of Motor Vehicles (DMV), was established by the Legislature in 1935 in lieu of a property tax on vehicles. Using a formula established by the Legislature, the DMV sets each owner's fee based on the purchase price of the vehicle or the value of the vehicle when acquired. The VLF decreases with each renewal for the first 11 years. The state returns almost all the money it collects on vehicle license fees to the cities and counties.

### **Key Term Sources:**

U.S. Environmental Protection Agency – <http://www.epa.gov/OCEPAterms/gterms.html>  
California Department of Motor Vehicles – [http://www.dmv.ca.gov/vr/fees/vlf\\_fees.htm](http://www.dmv.ca.gov/vr/fees/vlf_fees.htm)

## **Resources on Global Warming:**

### **California Air Resources Board**

<http://www.arb.ca.gov/cc/cc.htm>

### **National Geographic**

<http://ngm.nationalgeographic.com/ngm/0409/feature1/index.html>

### **U.S. EPA**

<http://epa.gov/climatechange/basicinfo.html>

## **Pros and Cons**

There are many arguments for and against government's use of incentives and disincentives to influence the choices people make when buying a vehicle. Consider the following arguments, collected from various sources, which are included below.

### **Pro argument:**

### **Con argument:**

<b>State Responsibility</b>	<b>vs.</b>	<b>Federal Responsibility</b>
California is the world's 12th largest producer of carbon dioxide, the largest component of the greenhouse gases that lead to global warming. Transportation-related gases account for 38 percent of California's emissions and 74 percent of it comes from passenger vehicles. <sup>1</sup> In recent years, the state Legislature has passed landmark legislation that will reduce the state's production of the greenhouse gas emissions produced by cars, SUVs and other passenger vehicles at a faster pace than federal regulation requires. Sixteen other states have followed California's lead and adopted these standards. California continues to have an obligation, both to the rest of the country and to the world, to reduce its transportation-related emissions. One way the state can do this is to encourage people to buy vehicles that are more fuel-		Vehicle emissions standards are set by the U.S. Environmental Protection Agency and have become increasingly stringent and uniform in recent years. Through federal regulation, California has consistently seen a decrease in vehicle emissions in the past two decades (1.2 million tons per year in 2000, down from 1.4 million tons in 1990, and 1.6 million tons in 1980). <sup>2</sup> In December 2007, Congress passed a new law that requires vehicle manufacturers to increase the number of miles a vehicle gets on a gallon of gasoline by 40 percent by 2020. This is the first change in the federal government's fuel economy standards in 32 years. In the meantime, advances in technology and the public's rising interest in buying more fuel-efficient vehicles have already led manufacturers to introduce a growing array of new models to choose

<sup>1</sup> California Air Resource Board, <http://www.latimes.com/news/local/la-122007-me-epa-g,0,2060152.graphic?coll=la-home-center>

<sup>2</sup> Environmental Defense, <http://www.environmentaldefense.org/article.cfm?contentID=4192>

<p>efficient by charging them a lower vehicle registration fee than is paid by people whose vehicles use more fuel and, therefore, emit higher amounts of greenhouse gas.</p>	<p>from. As this progress continues, people will find it easier to make environmentally sound choices, and the state's production of greenhouse gas will continue to diminish, without the need for new restrictions, fees or taxes imposed by the states.</p>
<b>Consumer Obligation</b>	<b>vs. Family Need</b>
<p>SUVs, minivans and light trucks have higher emissions and cause more damage to California's roads than lighter and more fuel-efficient vehicles. While the government shouldn't make owning these vehicles illegal, people who buy them should be expected to pay for the higher impact they have on California's streets, highways and environment. There is ample evidence that raising fees can inspire people to make environmentally friendly choices. California's highly successful bottle recycling law, which began in 1986, added a small fee to the cost of beverages sold in cans and bottles to give people an incentive to return the empty ones for a full refund of the fee. Today, about 70 percent, or 14 million, of the beverage containers people buy that require them to pay this added fee, known as the California Redemption Value (CRV), are returned for recycling each year.<sup>3</sup> As more beverage containers are returned, fewer of them are sent to landfills, many of which are rapidly becoming overwhelmed with garbage. Any CRV money the state keeps when people don't return their beverage containers for recycling is used to pay for programs to keep discarded containers from ending up in the ocean, rivers and other waterways.</p>	<p>People have a basic right to own and operate the vehicle of their choice and should be able to do so free of unusual or unnecessary restrictions. While some people have lifestyles that allow them to choose smaller, more fuel-efficient vehicles, this isn't a workable option for many larger families. Today, less than 6 percent of passenger cars can tow more than 2,100 pounds, leaving families to rely on SUVs and other light trucks to tow almost 24 million boats, ATVs, horse trailers, RVs, snowmobiles and off-road motorcycles in the U.S.<sup>4</sup> Higher vehicle registration fees could place an unnecessary burden on families who don't have other practical choices. They could also have a disproportionate impact on people and families who own older vehicles that use relatively high amounts of fuel, and who can't afford to trade them in for more fuel-efficient models.</p>

<sup>3</sup> California Department of Conservation, <http://conservation.ca.gov>

<sup>4</sup> SUV Owners of America, <http://www.suvoa.com/>

Support Resources:	Opposition Resources:
<p><b>Our Changing Climate: Assessing Risks to California</b>  California Climate Change Center, 2006  <a href="http://www.energy.ca.gov/2006publications/CEC-500-2006-077/CEC-500-2006-077.PDF">http://www.energy.ca.gov/2006publications/CEC-500-2006-077/CEC-500-2006-077.PDF</a></p> <p><b>Pollution in Overdrive: New Report Cites U.S. Motorists For Production of Greenhouse Gases,</b>  Washington Post, June 28, 2006  <a href="http://www.washingtonpost.com/wp-dyn/content/article/2006/06/27/AR2006062701757.html">http://www.washingtonpost.com/wp-dyn/content/article/2006/06/27/AR2006062701757.html</a></p> <p><b>Survey: Half could support higher gas tax,</b>  CNN Money, May 2, 2007  <a href="http://money.cnn.com/2007/05/02/news/economy/gas_survey/index.htm">http://money.cnn.com/2007/05/02/news/economy/gas_survey/index.htm</a></p>	<p><b>'Gas guzzler' tax an attack on middle class</b>  Rocky Mountain News, December 4, 2007  <a href="http://www.rockymountainnews.com/news/2007/dec/04/gas-guzzler-tax-an-attack-on-middle-class/">http://www.rockymountainnews.com/news/2007/dec/04/gas-guzzler-tax-an-attack-on-middle-class/</a></p> <p><b>Connecticut 'Clean Car' Tax on Larger Vehicles Threatens Safety and Vehicle Choice While Doing Nothing for Air Quality</b>  PRNewswire, Sept. 7, 2005 -  <a href="http://www.redorbit.com/news/science/233117/connecticut_clean_car_tax_on_larger_vehicles_threatens_safety_and/">http://www.redorbit.com/news/science/233117/connecticut_clean_car_tax_on_larger_vehicles_threatens_safety_and/</a></p> <p><b>Anti-Anti-SUVs, Part Deux:</b> The remaining charges against sport-utility vehicles are equally unfounded, National Review,  January 27, 2003  <a href="http://www.nationalreview.com/adler/adler012703.asp">http://www.nationalreview.com/adler/adler012703.asp</a></p>